

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Monday, March 21, 2016, at Develop Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 9:00 a.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO

AGENDA

March 21, 2016
9:00 a.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from the March 7, 2016, board meeting.
3. Sales tax report for March 2016.
4. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Personnel) Section 551.074
The DCOA, pursuant to the adopted Bylaws, may consider the appointment, employment and duties of certain positions as well as membership of certain committees.
5. Discussion and possible approval of a resolution authorizing funding assistance to Texas State Technical College associated with construction of a new Abilene campus facility.
6. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 2016, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD MEETING MINUTES

March 7, 2016

MEMBERS PRESENT: Dave Copeland John Beckham Marelyn Shedd
Dani Ramsay Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant Stanley Smith
Mike Rains

GUESTS PRESENT: Doug Peters- Abilene Chamber of Commerce
Justin Jaworski - Abilene Industrial Foundation
Brooke Crum - Abilene Reporter News
Bruce Kreitler - Abilene City Council

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:30 p.m. at 174 Cypress St., Suite 301, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE FEBRUARY 23, 2016 BOARD MEETING: Jack Rich moved to approve the minutes from the February 23, 2016 board meeting. Marelyn Shedd seconded and the motion carried.

3. PRELIMINARY JANUARY 2016 FINANCIAL REPORTS: Mike Rains, Director of Finance, presented the January Statement of Net Position. The DCOA's preliminary total assets as of January 31, 2016, were \$79,974,404, with total current assets at \$18,514,391 and total noncurrent assets at \$61,460,013. The preliminary January 2016 revenues totaled \$1,389,393 and total expenditures were \$1,844,883. A total of \$1,649,587 was spent on six different projects.

4. EXECUTIVE SESSION – SESSION 1: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Dave Copeland announced the date is March 7, 2016, and the time is 1:35 p.m. Later, President Copeland announced the date is still March 7, 2016, and the time is 3:05 p.m. No vote or action was taken in Executive Session.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT WITH LANSFORD CONSTRUCTION AND FUNDING FOR A DOGHOUSE EXTENSION TO HANGAR 0 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES, INC: Kent Sharp stated this item was approved in the FY 16 Budget; therefore, no action is required.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A RENEWAL OF THE AGREEMENT WITH ABILENE AERO TO PROVIDE DE-FUELING SERVICES FOR EAGLE AVIATION SERVICES, INC: Kent Sharp, CEO recommended the board renew an agreement with Abilene Aero to cover its truck lease, maintenance, insurance and other miscellaneous costs while providing de-fueling services to Eagle Aviation Services, Inc. The original agreement was for 12 months beginning March 1, 2013, which was extended for another 2 years

through February 2016. The monthly cost of \$1,750 has increased to \$1,950. Staff recommends renewing the agreement with Abilene Aero for 2 years beginning March 1, 2016, at \$1,950/month, with three (3) additional 12-month options to extend for a total of 60 months at the same monthly rate.

Marelyn Shedd moved to approve resolution no. DCOA-2016.12 authorizing a renewal of the agreement with Abilene Aero to provide de-fueling services for Eagle Aviation Services. Inc. Jack Rich seconded and the motion passed.

7. **ADJOURNMENT:** There being no further business the meeting was adjourned.

Dave Copeland, President

MEMORANDUM

March 09, 2016

TO: Robert Hanna, City Manager
FROM: Mike Rains, Director of Finance
SUBJECT: February Sales Tax

The sales tax rebate for February is \$2,915,364.42 which represents January sales. This is 4.02% below last year and 4.97% below the projected FY 16 budget amount. The breakdown of the rebate is \$2,186,523.32 to the General Fund and \$728,841.10 for economic development. Of this rebate, \$101,253.27 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through March, sales tax is 4.29% below last year and 5.24% below the projected FY 16 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MR:ls

Cc: Mindy Patterson, Assistant City Manager
James Childers, Assistant City Manager

CITY OF ABILENE SALES TAX COMPARISON

| Accounting Period Month | GENERAL FUND | ECONOMIC DEVELOPMENT | TOTAL | GENERAL FUND | ECONOMIC DEVELOPMENT | TOTAL |
|----------------------------|------------------------|-------------------------|------------------------|------------------------|-------------------------|------------------------|
| | Actual 2014-15 | Actual 2014-15 | | Actual 2015-16 | Actual 2015-16 | |
| October | \$2,605,980.73 | \$868,660.24 | \$3,474,640.97 | \$2,456,044.80 | \$818,681.60 | \$3,274,726.40 |
| November | 2,963,660.77 | 987,886.92 | 3,951,547.69 | 2,940,002.89 | 980,000.96 | 3,920,003.85 |
| December | 2,510,766.92 | 836,922.30 | 3,347,689.22 | 2,203,231.83 | 734,410.61 | 2,937,642.44 |
| January | 2,394,359.96 | 798,119.98 | 3,192,479.94 | 2,265,278.52 | 755,092.84 | 3,020,371.36 |
| February | 3,411,247.43 | 1,137,082.47 | 4,548,329.90 | 3,419,688.86 | 1,139,896.28 | 4,559,585.14 |
| March | 2,278,078.73 | 759,359.57 | \$3,037,438.30 | 2,186,523.32 | 728,841.10 | \$2,915,364.42 |
| YTD | \$16,164,094.54 | \$5,388,031.48 | \$21,552,126.02 | \$15,470,770.22 | \$5,156,923.39 | \$20,627,693.61 |
| April | 2,201,001.23 | 733,667.07 | 2,934,668.30 | | | |
| May | 3,058,881.51 | 1,019,627.17 | 4,078,508.68 | | | |
| June | 2,468,865.01 | 822,955.00 | 3,291,820.01 | | | |
| July | 2,336,436.58 | 778,812.19 | 3,115,248.77 | | | |
| August | 2,994,226.69 | 998,075.56 | 3,992,302.25 | | | |
| September | 2,433,407.29 | 811,135.76 | 3,244,543.05 | | | |
| FY TOTAL | \$31,656,912.85 | \$10,552,304.23 | \$42,209,217.08 | | | |

NOTE: Report reflects the month sales tax is received from Austin. Revenue is recorded on this basis for budgetary purposed.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Monthly and Year-to-Year Comparisons

| Accounting Period Month | Actual 2014-15 | Actual 2015-16 | % Change |
|----------------------------|---------------------|--------------------|---------------|
| October | \$868,660 | \$818,682 | -5.75% |
| November | 987,887 | 980,001 | -0.80% |
| December | 836,922 | 734,411 | -12.25% |
| January | 798,120 | 755,093 | -5.39% |
| February | 1,137,082 | 1,139,896 | 0.25% |
| March | 759,360 | 728,841 | -4.02% |
| YTD | \$5,388,031 | \$5,156,923 | -4.29% |
| April | 733,667 | | |
| May | 1,019,627 | | |
| June | 822,955 | | |
| July | 778,812 | | |
| August | 998,076 | | |
| September | 811,136 | | |
| FY TOTAL | \$10,552,304 | | |

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

Revenue for March '16 represents January '16 sales. Approximately \$25,405.29 of the rebate is from prior periods, audit, and future payments.

Audit Payments: Larger businesses submit sales tax collections to the State Comptroller every month and smaller ones either quarterly or annually. The Comptroller audits the books of these businesses on a four year cycle to determine if sales tax was collected on all taxable sales. Audit collections represent the sales tax revenue from prior sales and submitted or refunded subsequent to the audit.

3.3

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Five Year Comparison

| Accounting Period Month | Actual 2011-12 | Actual 2012-13 | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| October | \$890,386 | \$855,868 | \$815,126 | \$868,660 | \$818,682 |
| November | 964,808 | 891,956 | 896,761 | 987,887 | 980,001 |
| December | 725,276 | 773,104 | 766,502 | 836,922 | 734,411 |
| January | 941,066 | 728,710 | 744,242 | 798,120 | 755,093 |
| February | 1,175,879 | 1,012,685 | 1,061,353 | 1,137,082 | 1,139,896 |
| March | 732,189 | 821,529 | 743,945 | 759,360 | 728,841 |
| FY TOTAL | <u>\$5,429,604</u> | <u>\$5,083,852</u> | <u>\$5,027,928</u> | <u>\$5,388,031</u> | <u>\$5,156,923</u> |
| April | 769,064 | 800,963 | 726,196 | 733,667 | |
| May | 977,461 | 965,056 | 981,409 | 1,019,627 | |
| June | 766,944 | 827,415 | 773,012 | 822,955 | |
| July | 756,886 | 826,951 | 794,307 | 778,812 | |
| August | 920,096 | 927,272 | 966,814 | 998,076 | |
| September | 800,200 | 797,862 | 845,806 | 811,136 | |
| YTD | <u>\$10,420,256</u> | <u>\$10,229,372</u> | <u>\$10,115,471</u> | <u>\$10,552,304</u> | |

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

3.4

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: March 21, 2016

PROJECT: Texas State Technical College – New Abilene Campus Funding

STAFF: Kent Sharp, CEO

BACKGROUND INFORMATION

Texas State Technical College (TSTC) was created in 1965 with a campus in Waco, Texas. Additional campuses were added over the years to include Sweetwater, McAllen, Breckenridge, Brownwood, Marshall, Fort Bend and Abilene, which was established in 1985. In 2013, the Texas Legislature established campuses in Ellis and Williamson Counties. In 2011, the West Texas campus was redefined as being the Sweetwater, Abilene, Breckenridge and Brownwood locations. Recently, all 10 campuses were integrated into a single organization, pursuing single accreditation from the Southern Association of Colleges and Schools Commission on Colleges, aligning programs to better serve the state by providing a highly skilled, technically competent workforce.

The DCOA has assisted the Abilene campus in various ways since 1990:

- 1989 - Humana of Texas, Inc. donated land and improvements formerly known as the West Texas Medical Center located at 674 E. Highway 80 to the City of Abilene for the use of expanding TSTC's Abilene campus, establishing a business incubator, and to support indigent health care for citizens of Taylor County (Medical Care Mission)
- 1990 - DCOA approved \$900,000 to fund renovation of a portion of the Abilene Regional Business & Education Center (ARBEC) for occupancy by TSTC
- 1991 – TSTC moved into the ARBEC, occupying 45,000 sq ft of the total 70,000 sq ft
- 2010-2013 – DCOA paid \$164,489 to purchase kitchen equipment for use in the T&P Freight Warehouse by TSTC's culinary arts training program.
- 1992 – DCOA paid \$359,889 to renovate hangar; EDA grant paid \$242,100
- 1993 – TSTC began leasing the hangar for aircraft and power frame mechanics
- 1994 – DCOA approved \$25,000 for further renovations to Hangar 4

The Abilene campus includes the main facility on E. Hwy 80, the Hangar 4 location, and the T&P Freight Warehouse. It serves just over 400 students studying Airframe & Powerplant Technologies, Chemical Dependency Technology, Computer Aided Drafting & Design, Computer Networking & Systems Administration, Database and Web Programming, Digital Arts, Digital Media Design, Emergency Medical Services, Food Service (Culinary Arts), Health Information Technology, Medical Office Specialist, and Software Accounting & Management.

THE REQUEST

In order to serve anticipated expanding growth in Abilene in the services, mining, manufacturing and trade industries, TSTC recently received authorization from the state to issue \$12 million in tuition revenue bonds to construct a new campus. Benefits to the community include:

- New campus will help fill the need to train approximately 600 net new positions each year from now through 2030 and 500 net new positions each year from 2030 through 2040
- High school students as well as post-secondary students will be trained at new campus to help bridge the workforce need
- Training offered is scalable and adjustable to meet future needs of employers
- Approximately \$350,000 in new annual payroll generated by TSTC employees at the new campus

TSTC is asking from the community for \$6 million in match grant funded over 10 years, including 50 acres of land on Loop 322 in the NW quadrant of the Abilene Regional Airport. Phase I construction should begin in January 2017 and will consist of site development and Building One to house Industrial Maintenance and Welding. The site will be designed for multiple buildings and 13-15 technical programs. The match grant will be used to fund operations beginning in 2017.

TSTC has requested support from the community in the amount of \$2 million. The remaining \$4 million is requested of the DCOA. The new proposed TSTC campus in Abilene will significantly add to our tool chest of local economic development resources used to help existing companies expand their workforce and new companies feel certainty their training needs will be met.

FISCAL IMPACT

Operating funds paid over 10 years (including cost of 50 acres of land) - \$4,000,000

STAFF RECOMMENDATION

Staff recommends the board approve resolution DCOA-2016.13 authorizing \$4 million in operating funds as a partial match to construct a new TSTC Abilene campus.

ATTACHMENTS

Resolution DCOA-2016.13

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RESOLUTION NO. DCOA-2016.13

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ABILENE, TEXAS AUTHORIZING FUNDING SUPPORT FOR THE PROPOSED NEW ABILENE CAMPUS FOR TEXAS STATE TECHNICAL COLLEGE (“TSTC”).

WHEREAS, TSTC was created in 1965 in Waco, Texas, with additional campuses added over the years to include Sweetwater, McAllen, Breckenridge, Brownwood, Marshall, Fort Bend and Abilene, which was established in 1985; and,

WHEREAS, in 2011, the West Texas campus was redefined as being the Sweetwater, Abilene, Breckenridge and Brownwood locations; and,

WHEREAS, in 2013, the Texas Legislature established campuses in Ellis and Williamson Counties; and,

WHEREAS, recently, all 10 campuses were integrated into a single organization, pursuing single accreditation from the Southern Association of Colleges and Schools Commission on Colleges, aligning programs to better serve the state by providing a highly skilled, technically competent workforce; and,

WHEREAS, DCOA has assisted the Abilene campus in various ways since 1990, including renovations to the current main campus building on E. Hwy 80, renovations to the airport hangar which houses the Airframe & Powerplant program, and kitchen equipment for the culinary arts program; and,

WHEREAS, the Abilene campus serves just over 400 students studying Airframe & Powerplant Technologies, Chemical Dependency Technology, Computer Aided Drafting & Design, Computer Networking & Systems Administration, Database and Web Programming, Digital Arts, Digital Media Design, Emergency Medical Services, Food Service (Culinary Arts), Health Information Technology, Medical Office Specialist, and Software Accounting & Management; and,

WHEREAS, in order to serve anticipated expanding growth in Abilene in the services, mining, manufacturing and trade industries, TSTC recently received authorization from the state to issue \$12 million in tuition revenue bonds to construct a new Abilene campus; and,

WHEREAS, TSTC is asking from the community for \$6 million in match grant funded over 10 years, including 50 acres of land on Loop 322 in the NW quadrant of the Abilene Regional Airport; and,

WHEREAS, TSTC has requested support from the community in the amount of \$2 million with the remaining \$4 million being requested of the DCOA; and,

WHEREAS, the new proposed Abilene campus will significantly add to our tool chest of local economic development resources used to help existing companies expand their workforce and new companies feel certainty their training needs will be met; and,

WHEREAS, staff requests the DCOA approve \$4 million in operating funds over 10 years to support a new Abilene campus for TSTC.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

- PART 1.** DCOA hereby authorizes funding of Four Million and no/100's Dollars (\$4,000,000.00) over 10 years beginning in 2017 to support operations of TSTC in light of construction of a new \$12 million Abilene campus on 50 acres of land in the NW quadrant of the Abilene Regional Airport. The funding hereby authorized includes the cost to purchase the required 50 acres of land and is in addition to \$2 million being requested of the community for the same purpose.
- PART 2.** Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.
- PART 3.** The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute a final contract and all other related documents on behalf of the DCOA.

ADOPTED this the 21st day of March, 2016.

ATTEST:

John Beckham
Secretary/Treasurer

Dave Copeland
President

APPROVED:

Stanley Smith, Interim City Attorney

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